

EXHIBIT 4

UBS Investment Research

Gallup Survey Highlights VoIP Potential

What Does the Consumer Want?**■ Introducing the Gallup Survey on Consumer VoIP**

With cable and independent VoIP providers gearing up to launch service throughout the United States, we conducted a proprietary survey with the Gallup Organization to gauge consumer acceptance and eventual adoption of VoIP.

■ Positive Initial Response to VoIP

Roughly 34% of respondents that do not have VoIP would switch from their existing landline service to VoIP for cost savings. Respondents appear more willing to sacrifice quality than reliability.

■ Branding is Less Important than Expected

A surprisingly high 74% of respondents had no preference regarding purchasing a bundle of voice, video and data from either their cable or local exchange carriers.

■ Readthrough for the VoIP Market

Without a clear preference for cable or carrier provided voice service, both sides still need to win the hearts and minds of the customers, suggesting competition will be fierce and costly. The high number of respondents that would take a competing service for a modest price reduction was encouraging to cable providers. As were results that suggested wireless is not a significant consideration in the wireline purchase decision.

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Proprietary Gallup Survey on VoIP Demand

Broadband competition between telcos and cable operators has intensified and should further increase as both sides push ahead with triple play efforts (voice, video, and data). Last year, the telcos' efforts to spur demand through lower pricing and expanded DSL footprints were successful as DSL closed the market share gap with cable modem. While we expect this to continue to narrow in 2004, we believe the real focus of the broadband debate will shift toward the overall bundle of services. The Bells are starting to roll-out video offerings based on their satellite relationships, while the cable operators continue to deploy IP-based telephony service in new markets. Both groups are encroaching on the cash cow businesses of the other, which likely means further consumer benefits are on the horizon.

To combat pricing pressures, operators are rolling out tiered broadband speeds up to 3 mbps for high-end users. We note that all major cable companies, including Comcast, Cox, Cablevision, and Time Warner Cable are already offering broadband speed of 3 MB/s in all of their markets. Operators are also introducing premium content and other services, such as Verizon's plan to introduce tiered storage capabilities for \$5-\$20 per month and the recent content agreement between Major League Baseball and Comcast, Charter, and Cox.

Consumer telephony is also witnessing the emergence of independent broadband telephony providers, similar to Yahoo! BB, which we previewed in our report in September 2003 (Please see "Sayonara to Voice" 9/11/03). Vonage was first on the scene and now has over 100,000 customers. AT&T recently launched Call Vantage, its broadband telephony product, and Level 3 announced the development of a wholesale consumer VoIP service that it expects to market through ISPs and other resellers, similar to its business VoIP product. Qwest is providing the service on a trial basis in Minnesota in conjunction with its DSL service and we expect a broader launch by Verizon within the next month. As a result, the 20% of households with broadband connectivity now have a number of choices from whom to purchase telephony. Within the next two years, we believe consumers in most major markets will be able to choose from at least a half a dozen providers. Barriers to entry in this business have clearly fallen.

With that, we recently completed a proprietary survey in conjunction with the Gallup Organization to gauge consumer acceptance and eventual adoption of the new consumer telephony services. In all, we surveyed 803 individuals from a number of age groups and regions. We specifically inquired about the following:

- Current penetrations of the sample for broadband, Internet, and VoIP.
- The preference of provider – cable or telecom – for bundled services.
- Consumer interest in VoIP and the balance between quality/reliability and cost.
- The importance of receiving wireless from your existing landline provider.

Key Survey Findings

- **Strong Appetite for Telephony Alternatives:** 34% of respondents without broadband telephony indicated that they will be likely to switch to broadband telephony for discounts of 20% or more;
- **Quality Less Important than Reliability:** More respondents that suggested they would very likely switch to broadband telephony for 20%+ discounts if the quality were like wireless than if the service were to temporarily disrupt. We view this as a positive for the cable and Bell operators that plan to introduce primary line VoIP;
- **Provider of the Bundle Doesn't Matter:** 74% of respondents had no preference over receiving a bundle of voice, video, and data from either the cable or telephone company;
- **Wireless Not a Strong Factor:** Over 50% of respondents did not prefer to get wireless service from the same company that provides wireline service.

Gauging the Interest in VoIP

We asked the respondents whether they would switch from their existing landline service to broadband telephony for 20%, 35%, and 50% cost savings, and on average, 34% of the group said "yes". Surprisingly, there was not much of a change in respondent decisions based on increasing the cost savings from 20% (33% would switch) to 50% (37% would switch). We anticipate that this could be related to the 60% of respondents that do not subscribe to broadband and may not know whether they will in the future.

We believe this is a fair representation of customers that would consider leaving their local exchange provider for a broadband telephony provider over time. This appears to line up with early indications gleaned from Time Warner Cable, which has sold broadband telephony service to 9% of its video subscribers (23% of its cable modem base) in Portland, Maine in the first 8 months of service availability. Assuming 65% cable penetration of households in the market, this represents 6% of total households. It remains unclear what percentage of new Time Warner Cable telephony subscribers cut the cord on their landline phone.

Voice Quality Versus Reliability

We next tried to assess the relative importance of quality versus reliability of the service. This is an important issue because consumers are accustomed clear communication and the 99.999% reliability that is associated with a landline phone. We believe the acceptance of wireless communications in the mass market has re-conditioned customers to some degree and that many are now willing to accept different levels of sound quality and service reliability. We asked the same respondents in the prior question if they would consider switching to broadband telephony for 20%, 35%, and 50% discounts if:

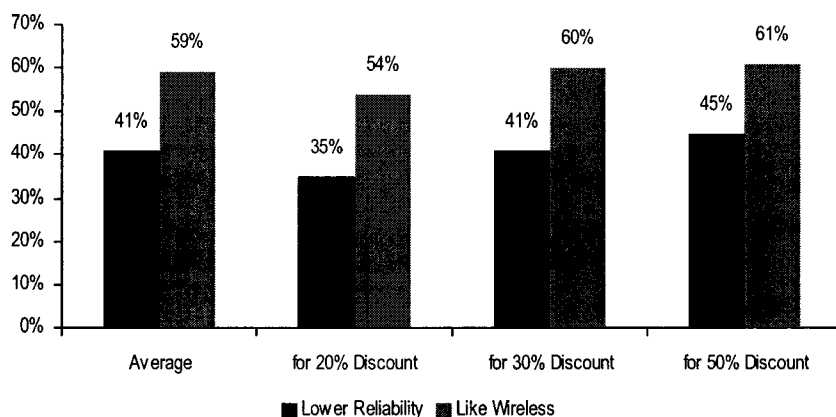
- (1) voice quality was more like wireless than a regular landline; and
- (2) service occasionally disrupts, although working most of the time.

The answers suggest that the respondents are more willing to sacrifice voice quality than reliability. Roughly 59% of the respondents said they would accept lower voice quality whereas 41% would accept lower reliability (See Chart 6).

This requires VoIP providers to focus intently on the reliability of the service. Based on our own trials of Vonage, the service does occasionally drop. That said, we find it to be a good alternative to traditional wireline service a vast majority of the time. Our use of wireless service also provides us with “network diversity,” giving us additional comfort with the service and lowering our need for 99.999% wireline reliability. We believe AT&T will have similar or slightly improved reliability as Vonage based on its ability to manage traffic across its network.

From a cable provider perspective, we expect the reliability issue to be largely overcome by a focus on primary line replacement and a move away from second line (ala Cablevision) service. We note that Cox and Time Warner’s strategy to use the inside wiring and existing phone jacks of the home actually improves the functionality of the VoIP service. Given that Cox’s VoIP offering is a LEC replacement service with high reliability and a lifeline service, the company’s VoIP service is leading in targeting primary line users.

Chart 1: Respondents Likely to Switch to VoIP if Lower Quality and Reliability



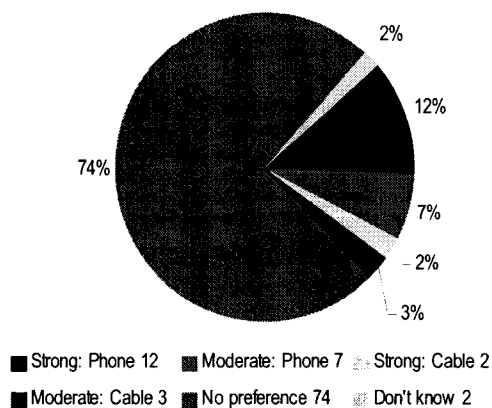
Source: UBS; based on respondents that indicated “very likely” to switching to broadband Internet

Does the Provider of the Bundle Matter?

The answer to this question from this sample is clearly no. Roughly 74% of respondents indicated that they have no preference whether the provider of the voice, video, and data bundle is the cable operators or telecom operator. This question was meant to assess whether consumers possess a natural bias toward

one provider or another. Nineteen percent did lean to the telecom side, but we do not see this as a *clear* bias given the overwhelming majority of respondents that indicated no preference.

Chart 2: Cable versus Telco – Customer Preference for Three Product Bundle



Source: UBS

The read-through from this answer is that consumers are primarily interested in value – the best service offering based on price, quality, reliability, and customer service. In our view, the provider that is first to market with the three-product bundle will benefit from lower acquisition costs and customer loyalty as customers are less likely to move when they purchase these services from a single provider. At this point, we believe cable companies have a superior platform to deliver the triple-play. In contrast, the Bell-satellite partnerships do not provide a seamless network or product offering. However, this arrangement does give them first mover advantage in a number of markets where cable telephony is not available.

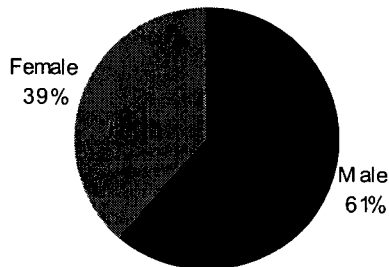
How Important is Bundled Wireless?

Similar to the prior question, we asked respondents whether they prefer if their provider of wireless service is the same as their provider of landline service. Fifty-three percent of the respondents indicated no preference while only 22% indicated they strongly prefer the same company. We believe this is an indication of the relative competitiveness of the wireless business and the ability of consumers to choose among several wireless providers. Longer-term we expect these responses will shift in the direction of a same-source provider as the Bells look to tie the two products together by creating value for customers that purchase a bundle. At this point, however, we do not believe consumers realize this value.

A Look at the Survey Population

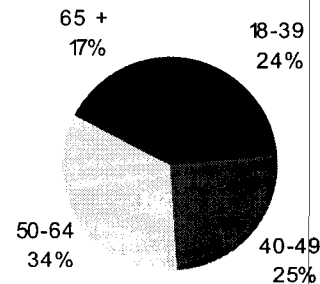
The survey population was split 61% male and 39% female, with a fairly balanced population range.

Chart 3: Survey Population by Gender



Source: UBS

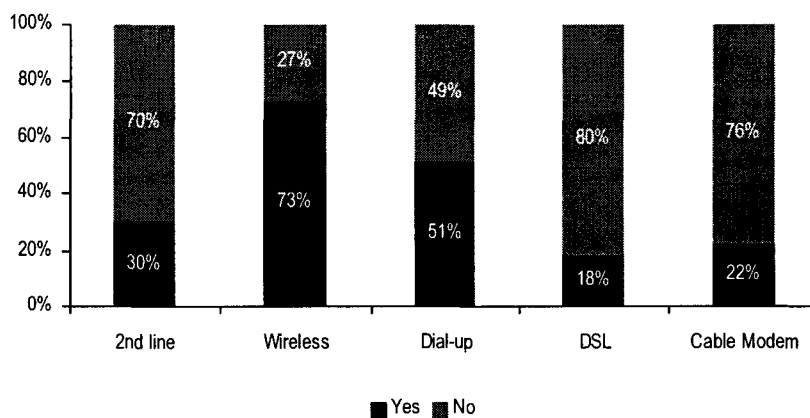
Chart 4: Survey Population by Age



Source: UBS

One question we explored was meant to simply gain an understanding of the services used by the survey population. It is clear that this population represents a more technologically oriented group as wireless penetration of 73% and broadband penetration of 40% exceed national averages by a wide margin. Similarly, dial-up penetration of only 51% lags the national average, which we estimate is 65%.

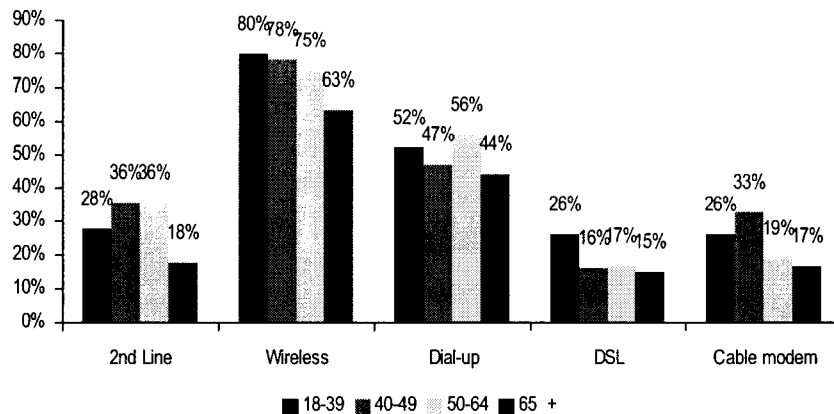
Chart 5: Feature Penetration Rate of Survey Respondents



Source: UBS

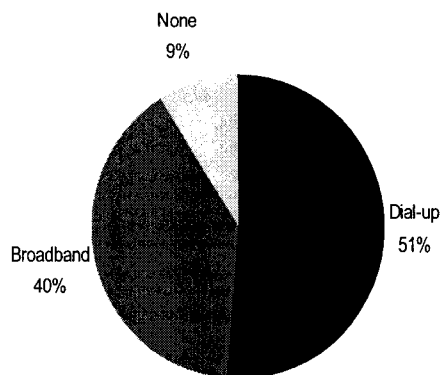
There were no real surprises in the penetration rates of services or other responses based on age. As expected, the 18-36 and 40-49 populations had the highest penetration rate of wireless and broadband.

Chart 6: Survey Penetration Rates by Age



Source: UBS

Chart 7: Internet Penetration of Survey Sample



Source:

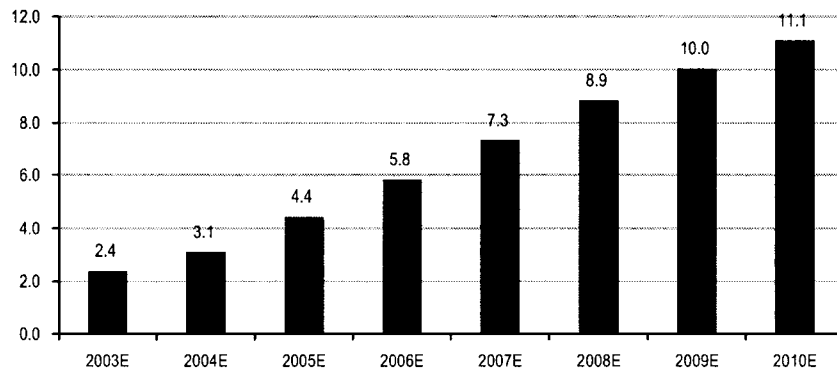
Current VoIP Penetration Much Higher than Expected

One of the more interesting data points about the respondents is the relatively high penetration of broadband users that have VoIP. Twenty-two percent of total broadband users, or about 9% of the total population, subscribe to Internet telephony. This is much higher than we expected, but again, we see this sample as more of an early adopter group than something representative of the national average. Today there are only a couple hundred thousand residential users of VoIP at best, with Vonage being the largest provider.

That said, we expect this figure to change dramatically during 2004 due to AT&T's recent introduction of its CallVantage™ service, service introductions by the Bells, growth by VoIP pureplays such as Vonage and Packet 8, and the ramp-up of cable VoIP. AT&T expects to add 1M consumer VoIP subscribers by the end of 2005. Cablevision launched VoIP to its entire footprint in 4Q03

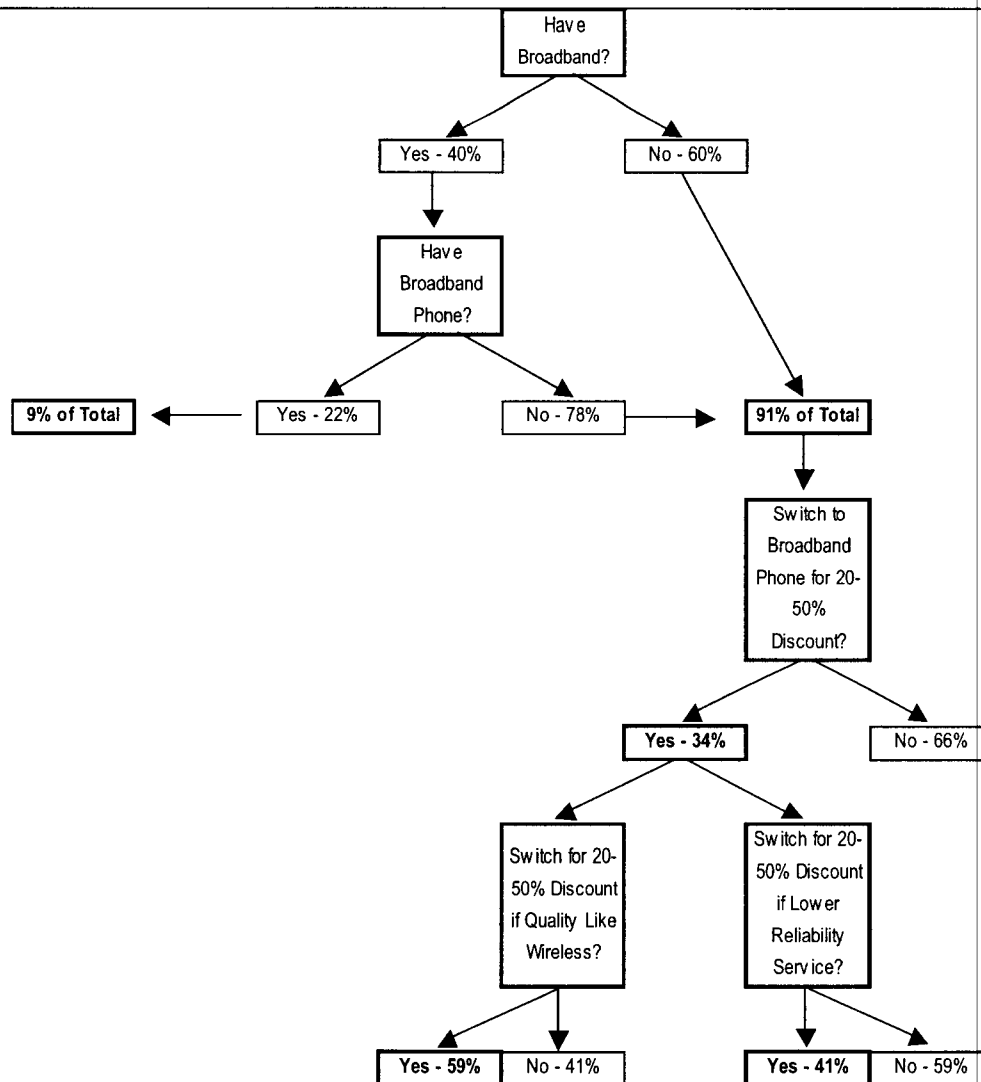
and ended the month of December averaging 2.5K net additions per week. We expect its VoIP penetration of video and data subscribers to grow to 6.5% and 15.3%, respectively, by the end of 2004. We expect similar results from the VoIP plans of Cox, Time Warner, and Comcast. In our view, cable will be a significant beneficiary of the positive initial response to VoIP. We estimate cable telephony subscribers (including VoIP and circuit-switched offerings) will reach 11.1 million at the end of 2010.

Chart 8: Cable Telephony Subscribers (2003E-2010E)—in millions



Source: Company reports and UBS estimates

Figure 1: UBS Gallup Survey – Respondents' VoIP Decision Tree



Source: UBS

■ Statement of Risk

Risks include management's ability to execute, increasing competition, adverse changes in regulation, technological substitution, a high degree of operating and financial leverage and the effects of the weak economy.

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UBS rating	Definition	UBS rating	Definition	Rating category	Coverage ¹	IB services ²
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1: Percentage of companies under coverage globally within this rating category.

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Source: UBS; as of 31 March 2004.

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Companies mentioned

Company Name	Reuters	Rating	Price
AT&T Corp. ^{3c,10b}	T.N	Reduce 2	US\$19.73
BellSouth Corp. ^{3a,10a}	BLS.N	Neutral 1 (RRD)	US\$27.36
Cablevision Systems ⁷	CVC.N	Buy 2	US\$22.82

Company Name	Reuters	Rating	Price
Comcast Corporation ^{1,3b,10b,12}	CMCSA.O	Buy 2	US\$29.81
Cox Communications ^{10b}	COX.N	Buy 2	US\$31.70
EchoStar Comm. ^{1,3c,10a}	DISH.O	Not rated	US\$32.97
Level 3 Comm. ^{1,3c,3b}	LVL.T.O	Not rated	US\$4.12
Qwest Communications ^{3b,10b}	Q.N	Neutral 2	US\$4.26
Time Warner Inc.	-	Not rated	-
Verizon ^{3c,3b,10b,12}	VZ.N	Neutral 1	US\$37.62

Price(s) as of 6 April 2004. Source: UBS.

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